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Department of State **TELEGRAM**

CONFIDENTIAL

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ACTION EA-10

INFO OCT-01 IO-10 ISO-00 XMB-02 FEA-01 ACDA-05 CIAE-00
INR-07 L-02 NSAE-00 NSC-05 EB-07 NRC-05 OES-03 ERDA-05
EUR-12 /075 W
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R 140404Z APR 75
FM AMEMBASSY SEOUL
TO AMEMBASSY OTTAWA
INFO SECSTATE WASHDC 9383
USMISSION IAEA VIENNA
ERDA GERMANTOWN

C O N F I D E N T I A L SEOUL 2484

STATE PASS EXIM

E.O. 11652: GDS
TAGS: ETRD, ENRG, PARM, MNUC, TECH, KS
SUBJECT: PURCHASE OF CANADIAN CANDU REACTOR
REF: (A) SEOUL 1089, (B) SEOUL 1682 (NOTAL)

1. EMBASSY HAS BEEN WORKING CLOSELY WITH GENERAL ELECTRIC (GE) REPS NOW PREPARING OFFER TO BUILD NEXT TWO KOREAN NUCLEAR PLANTS.

2. KOREAN OFFICIALS INVOLVED HAVE ENCOURAGED MAXIMUM SPEED ON PART OF GE AND EVEN MENTIONED POSSIBILITY (REF A) THAT GE PLANTS COULD BE BUILT PRIOR TO CANDU UNITS STILL UNDER NEGOTIATION.

3. KOREA ELECTRIC CO. (KECO) PRESIDENT MIN IS SCHEDULED TO TRAVEL TO CANADA AND U.S. MAY 10. KECO HAS ASKED GE TO SUBMIT NUCLEAR PLANT PROPOSAL PRIOR TO MIN'S DEPARTURE, HOLDING OUT POSSIBILITY THAT GE UNITS MAY DISPLACE CANDU UNITS.

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DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY NSO DATE 5/21/82
RDS☐or XDS☐EXT. DATE
TS AUTH. REASON(S)
ENDORSE EXISTING MARKINGS ☐
DECLASSIFIED☑ RELEASABLE☑
RELEASE DENIED☐
PA or FOI EXEMPTIONS

4. GE REPS ARE VERY AWARE OF PROBABILITY THAT KOREAN DESIRE FOR PROMPT GE OFFER IS AIMED AT GIVING KECO BETTER BARGAINING POSITION WITH CANADIANS, BUT GE REPS FEEL IT IS STILL TO GE'S ADVANTAGE TO GET PROPOSAL IN QUICKLY. ACCORDINGLY GE PROPOSAL IS NOW RECEIVING TOP LEVEL GE REVIEW AND WILL BE SUBMITTED TO KECO IN LATE APRIL.

5. FOR OTTAWA: EMBASSY WOULD APPRECIATE LATEST INFORMATION AVAILABLE OTTAWA ON STATUS OF CANDU NEGOTIATIONS, PARTICULARLY FINANCING (REF B).

6. FOR EXIMBANK: AFTER VISIT TO CANADA MIN PLANS VISIT TO EXIMBANK RE KORI II LOAN.
SNEIDER